**STATE RISK MANAGEMENT FUND**
**INVESTMENT PERFORMANCE REPORT AS OF FEBRUARY 28, 2006**

| | February-06 | | | | January-06 | | | | December-05 | | | | September-05 | | | | Current FYTD | Prior Year FY05 | 3 Years Ended 6/30/2005 | 5 Years Ended 6/30/2005 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Market Value | Allocation Actual | Allocation Policy | Month Net ROR | Market Value | Allocation Actual | Allocation Policy | Month Net ROR | Market Value | Allocation Actual | Allocation Policy | Quarter Net ROR | Market Value | Allocation Actual | Allocation Policy | Quarter Net ROR | Net | Net | Net | Net |
| **LARGE CAP DOMESTIC EQUITY** | | | | | | | | | | | | | | | | | | | | |
| ***Structured Growth*** | | | | | | | | | | | | | | | | | | | | |
| Los Angeles Capital | 126,297 | 3.3% | 3.4% | -1.19% | 127,276 | 3.4% | 3.4% | 4.01% | 86,885 | 2.3% | 3.4% | 3.06% | 86,016 | 3.5% | 3.4% | 5.46% | 11.70% | 7.56% | N/A | N/A |
| **Total Structured Growth** | **126,297** | **3.3%** | **3.4%** | **-1.19%** | **127,276** | **3.4%** | **3.4%** | **4.01%** | **86,885** | **2.3%** | **3.4%** | **3.06%** | **86,016** | **3.5%** | **3.4%** | **5.46%** | **11.70%** | **7.56%** | **7.46%** | **-9.18%** |
| *Russell 1000 Growth* | | | | *-0.16%* | | | | *1.76%* | | | | *2.98%* | | | | *4.01%* | *8.82%* | *1.68%* | *7.26%* | *-10.36%* |
| ***Structured Value*** | | | | | | | | | | | | | | | | | | | | |
| **LSV** | **131,499** | **3.5%** | **3.4%** | **0.45%** | **130,595** | **3.4%** | **3.4%** | **4.63%** | **84,163** | **2.2%** | **3.4%** | **1.52%** | **86,609** | **3.5%** | **3.4%** | **5.06%** | **12.09%** | **18.35%** | **14.73%** | **14.78%** |
| *Russell 1000 Value* | | | | *0.61%* | | | | *3.88%* | | | | *1.27%* | | | | *3.88%* | *9.95%* | *14.06%* | *11.00%* | *6.55%* |
| ***Russell 1000 Enhanced Index*** | | | | | | | | | | | | | | | | | | | | |
| **LA Capital** | **235,359** | **6.2%** | **6.8%** | **-1.22%** | **255,910** | **6.7%** | **6.8%** | **4.33%** | **172,595** | **4.6%** | **6.8%** | **2.29%** | **171,794** | **7.0%** | **6.8%** | **6.45%** | **12.22%** | **7.93%** | **N/A** | **N/A** |
| *Russell 1000* | | | | *0.22%* | | | | *2.80%* | | | | *2.12%* | | | | *3.95%* | *9.37%* | *7.92%* | *N/A* | *N/A* |
| ***S&P 500 Enhanced Index*** | | | | | | | | | | | | | | | | | | | | |
| **Westridge** | **274,846** | **7.2%** | **6.8%** | **0.28%** | **273,339** | **7.2%** | **6.8%** | **2.68%** | **179,532** | **4.8%** | **6.8%** | **2.10%** | **166,334** | **6.7%** | **6.8%** | **3.64%** | **8.95%** | **6.58%** | **N/A** | **N/A** |
| *S&P 500* | | | | *0.27%* | | | | *2.65%* | | | | *2.09%* | | | | *3.60%* | *8.86%* | *6.32%* | *N/A* | *N/A* |
| ***Index*** | | | | | | | | | | | | | | | | | | | | |
| State Street | 84,336 | | | 0.26% | 83,842 | | | 2.64% | 55,092 | | | 2.07% | 55,105 | | | 3.58% | 8.80% | 6.27% | 8.22% | -2.45% |
| **Total Index** | **84,336** | **2.2%** | **2.3%** | **0.26%** | **83,842** | **2.2%** | **2.3%** | **2.64%** | **55,092** | **1.5%** | **2.3%** | **2.07%** | **55,105** | **2.2%** | **2.3%** | **3.58%** | **8.80%** | **6.27%** | **8.22%** | **-2.45%** |
| *S&P 500* | | | | *0.27%* | | | | *2.65%* | | | | *2.09%* | | | | *3.60%* | *8.86%* | *6.32%* | *8.28%* | *-2.37%* |
| ***TOTAL LARGE CAP DOMESTIC EQUITY*** | ***852,337*** | ***22.4%*** | ***22.5%*** | ***-0.35%*** | ***870,961*** | ***22.9%*** | ***22.5%*** | ***3.65%*** | ***578,267*** | ***15.5%*** | ***22.5%*** | ***2.20%*** | ***565,857*** | ***22.9%*** | ***22.5%*** | ***4.97%*** | ***10.80%*** | **8.89%** | **9.59%** | **-0.28%** |
| *S&P 500* | | | | *0.27%* | | | | *2.65%* | | | | *2.09%* | | | | *3.60%* | *8.86%* | *6.32%* | *8.28%* | *-2.37%* |
| **SMALL CAP DOMESTIC EQUITY** | | | | | | | | | | | | | | | | | | | | |
| ***Manager-of-Managers*** | | | | | | | | | | | | | | | | | | | | |
| **SEI** | ***284,147*** | ***7.5%*** | ***7.5%*** | ***-0.09%*** | ***304,525*** | ***8.0%*** | ***7.5%*** | ***9.03%*** | ***189,740*** | ***5.1%*** | ***7.5%*** | ***0.95%*** | ***187,700*** | ***7.6%*** | ***7.5%*** | ***5.46%*** | ***15.98%*** | **9.32%** | **13.32%** | **N/A** |
| *Russell 2000 + 200bp* | | | | *-0.11%* | | | | *9.13%* | | | | *1.64%* | | | | *5.21%* | *16.57%* | *11.64%* | *15.07%* | *N/A* |
| ***TOTAL SMALL CAP DOMESTIC EQUITY*** | ***284,147*** | ***7.5%*** | ***7.5%*** | ***-0.09%*** | ***304,525*** | ***8.0%*** | ***7.5%*** | ***9.03%*** | ***189,740*** | ***5.1%*** | ***7.5%*** | ***0.95%*** | ***187,700*** | ***7.6%*** | ***7.5%*** | ***5.46%*** | ***15.98%*** | **9.32%** | **13.32%** | **5.50%** |
| *Russell 2000* | | | | *-0.28%* | | | | *8.97%* | | | | *1.13%* | | | | *4.69%* | *15.06%* | *9.45%* | *12.81%* | *5.71%* |
| **DOMESTIC FIXED INCOME** | | | | | | | | | | | | | | | | | | | | |
| ***Core Bond*** | | | | | | | | | | | | | | | | | | | | |
| **Western Asset** | **856,913** | **22.5%** | **21.7%** | **0.31%** | **844,112** | **22.2%** | **21.7%** | **0.44%** | **637,504** | **17.0%** | **21.7%** | **0.28%** | **545,547** | **22.1%** | **21.7%** | **-0.41%** | **0.63%** | **7.14%** | **7.36%** | **8.59%** |
| *Lehman Aggregate* | | | | *0.33%* | | | | *0.01%* | | | | *0.59%* | | | | *-0.67%* | *0.25%* | *6.80%* | *5.75%* | *7.40%* |
| ***Index*** | | | | | | | | | | | | | | | | | | | | |
| **Bank of ND** | **765,527** | **20.1%** | **21.7%** | **0.23%** | **751,446** | **19.8%** | **21.7%** | **-0.24%** | **573,570** | **15.3%** | **21.7%** | **0.44%** | **504,411** | **20.5%** | **21.7%** | **-0.84%** | **-0.41%** | **4.08%** | **5.66%** | **7.26%** |
| *Lehman Gov/Credit (1)* | | | | *0.27%* | | | | *-0.18%* | | | | *0.60%* | | | | *-0.96%* | *-0.28%* | *4.80%* | *5.82%* | *7.35%* |
| ***BBB Average Quality*** | | | | | | | | | | | | | | | | | | | | |
| **Wells Capital (formerly Strong)** | **856,660** | **22.5%** | **21.7%** | **0.59%** | **838,775** | **22.1%** | **21.7%** | **-0.02%** | **636,177** | **17.0%** | **21.7%** | **0.58%** | **539,353** | **21.9%** | **21.7%** | **-1.05%** | **0.09%** | **9.14%** | **9.20%** | **N/A** |
| *Lehman US Credit BAA* | | | | *0.64%* | | | | *-0.13%* | | | | *0.39%* | | | | *-0.97%* | *-0.08%* | *8.60%* | *9.42%* | *N/A* |
| ***TOTAL DOMESTIC FIXED INCOME*** | ***2,479,100*** | ***65.1%*** | ***65.0%*** | ***0.38%*** | ***2,434,333*** | ***64.1%*** | ***65.0%*** | ***0.07%*** | ***1,847,251*** | ***49.4%*** | ***65.0%*** | ***0.42%*** | ***1,589,310*** | ***64.4%*** | ***65.0%*** | ***-0.76%*** | ***0.11%*** | **6.14%** | **6.59%** | **7.79%** |
| *Lehman Gov/Credit* | | | | *0.27%* | | | | *-0.18%* | | | | *0.60%* | | | | *-0.96%* | *-0.28%* | *7.26%* | *6.41%* | *7.70%* |
| **CASH EQUIVALENTS** | | | | | | | | | | | | | | | | | | | | |
| ***Bank of ND*** | ***191,008*** | ***5.0%*** | ***5.0%*** | ***0.39%*** | ***189,388*** | ***5.0%*** | ***5.0%*** | ***0.39%*** | ***1,126,496*** | ***30.1%*** | ***5.0%*** | ***1.07%*** | ***123,248*** | ***5.0%*** | ***5.0%*** | ***0.93%*** | ***2.81%*** | ***2.46%*** | ***1.74%*** | ***2.68%*** |
| *90 Day T-Bill* | | | | *0.33%* | | | | *0.32%* | | | | *0.92%* | | | | *0.83%* | *2.41%* | *2.15%* | *1.55%* | *2.62%* |
| **TOTAL RISK MANAGEMENT FUND** | **3,806,591** | **100.0%** | **100.0%** | **0.18%** | **3,799,208** | **100.0%** | **100.0%** | **1.18%** | **3,741,754** | **100.0%** | **100.0%** | **0.80%** | **2,466,115** | **100.0%** | **100.0%** | **1.10%** | **3.29%** | **5.85%** | **7.59%** | **3.99%** |
| *POLICY TARGET BENCHMARK* | | | | *0.23%* | | | | *1.17%* | | | | *1.01%* | | | | *0.60%* | *3.03%* | *6.23%* | *7.13%* | *4.37%* |

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.